

Message Text

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ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 PRS-01

USIA-06 /097 W

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R 141411Z FEB 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9548

INFO AMEMBASSY BONN

AMEMBASSY BURSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMCONSUL MILAN

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E.O. 11652: N/A

TAGS: ENRG, IT

SUBJECT: CONFINDUSTRIA POSITION ON ENERGY

REF: ROME 1599 - 1518

1. ECON-COMM MINISTER CALLED ON FRANCO MATTEI, DIRECTOR GENERAL,
CONFEDERATION OF ITALIAN INDUSTRY (CONFINDUSTRIA) TO DISCUSS
PRESS REPORTS THAT HIS ORGANIZATION IS PREPARING EXTENSIVE STUDY

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OF ITALIAN ENERGY SITUATION FOR USE WITH GOI IN FORMULATING

ITALIAN POSITION ON PRICE LEVELS AND ALTERNATE SOURCES.

2. MATTEI CONFIRMED THAT STUDIES ARE UNDER WAY AND ACCEPTED ECOMIN'S SUGGESTION THAT EMBASSY PROVIDE INFORMATION AND VIEWS FOR CONFINDUSTRIA RESEARCH SERVICE.

3. MATTEI WAS CRITICAL OF POOR GOI STAFF WORK, INADEQUATE PREPARATION AND LACK OF COHERENT POLICY. IT IS FOR THIS REASON CONFINDUSTRIA HAS DECIDED BOTH TO TRY TO IMPROVE ITALIAN EFFECTIVENESS IN IEA AND TO INFLUENCE GOI TOWARD ITS VIEWS.

4. HE IS PRINCIPALLY CONCERNED OVER GUARANTEED LEVELS OF PRICES. WHILE NOT OPPOSED TO THE LOGIC AND ANALYSIS OF US THINKING, HE WILL BE AIMING FOR AN ITALIAN (AND EC) POSITION WHICH WOULD NOT FREEZE PRICES AT TOO HIGH A LEVEL. MATTEI PERSONALLY FEELS THAT A MINIMUM PRICE OF \$6 TO \$7 PER BARREL WOULD BE CONSIDERED QUITE ACCEPTABLE, SINCE THIS LEVEL WOULD PERMIT ITALIAN INDUSTRY TO TAKE ADVANTAGE OF WHAT HE CONSIDERS TO BE AN EVENTUAL AND INEVITABLE BREAK IN OIL PRICES AND ALSO TO MAINTAIN ITS COMPETITIVE POSITION IN THE FACE OF GROWING INDUSTRIAL COMPETITION FROM NON-EC SOURCES AND IN PARTICULAR FROM NEW NORTH AFRICAN INDUSTRY. FOR THIS REASON, HE THINKS THE EVENTUAL CONFINDUSTRIA'S POSITION WILL BE VERY CLOSE TO THAT SUGGESTED BY SIMONNET AT HIS FEB 12 PRESS CONFERENCE (EC BRUSSELS 01254).

5. COMMENT: THE STRUCTURE OF ITALIAN INDUSTRY IS SUCH THAT IT IS WITHOUT DOUBT THE MOST EXPOSED TO COMPETITION FROM OIL PRODUCERS AND OTHER NON-IEA COUNTRIES WHO WOULD NOT BE BOUND BY ANY MINIMUM OIL PRICE AGREEMENT. THIS COMPETITION WOULD BE PARTICULARLY ACUTE IN IMPORTANT NON-IEA MARKETS. VOLPE

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